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ABSTRACT

This publication is first in a series of annual updates of statistical information about young children and their families living in poverty in the United States. It builds on the report "Five Million Children: A Statistical Profile of Our Poorest Young Citizens," and incorporates information from the 1990 March Supplement to the Census Bureau's Current Population Survey (CPS) into the original statistical framework. The data provide an estimate of family poverty status for 1989 as measured by the Federal poverty line, which adjusts for family size, but not for geographic location. In 1989, the poverty line was $9,890 for a family of three and $12,675 for a family of four. Nearly one in every four children under age 6 years lived in poverty in 1989. While 31 percent of all children under 6 years in 1989 were from minority groups, 59 percent of poor children were from minority groups. Children living with single mothers are more likely to be poor, and poverty rates are highest for children living in urban areas. Factors that account for why more than 5 million young children are poor include the following: (1) parental employment status and earnings; (2) family structure; and (3) parental education. The statistical data are illustrated in 13 graphs and 3 tables. (SLD)

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Five Million Children:

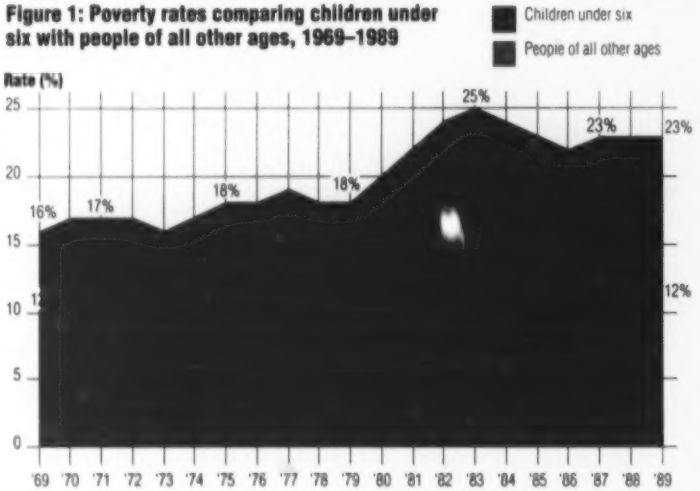
This publication is the first in a series of annual updates of statistical information about young children and their families living in poverty in the United States. It builds on the report *Five Million Children: A Statistical Profile of Our Poorest Young Citizens*, and it incorporates information from the 1990 March Supplement to the Census Bureau's Current Population Survey (CPS) into the original statistical framework. These data provide an estimate of family poverty status for 1989 as measured by the federal poverty line, which adjusts for family size but not for geographic location. In 1989 the poverty line was $9,890 for a family of three and $12,675 for a family of four.

Poor Children Under Six: Who Are They, and Where Do They Live?

Over the past decade poverty rates have increased significantly for children under six, while remaining more or less stable for other people. In 1989 nearly one out of every four children under six lived in poverty.

From 1969 through 1979 the poverty rate* for children under six was relatively stable at about 17 percent, while the poverty rate for people of all other ages was stable at about 12 percent. The poverty rate began rising in 1980 and peaked in 1983 at 25 percent for young children and at 14 percent for all others. Despite improving economic conditions between 1983 and 1989, the poverty rate for children under six declined only slightly, to 23 percent, while the poverty rate for people of all other ages returned to its pre-1980 level. (See Figure 1.)

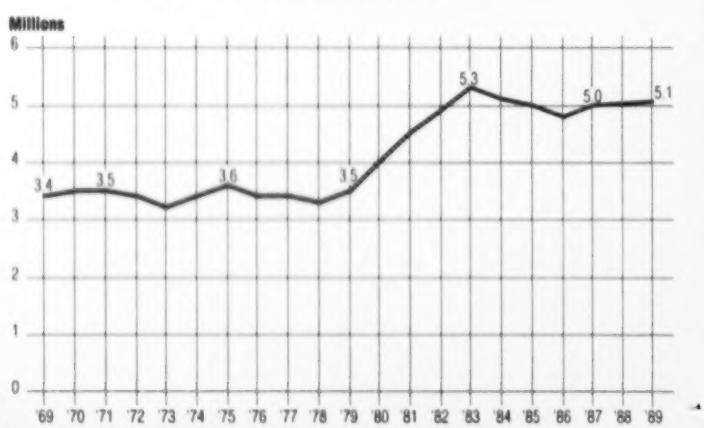
Figure 1: Poverty rates comparing children under six with people of all other ages, 1969–1989



In the 1970s the number of poor children under six was fairly stable. After a period of dramatic growth in the early 1980s, the number has since hovered around five million.

Trends in the number of children under six living in poverty closely parallel trends in poverty rates. Between 1969 and 1979 the number of children under six living in poverty was fairly stable at about 3.5 million. From 1979 to 1983 the number of poor children under six grew by more than 50 percent, to 5.3 million. Since 1983 the number has remained relatively high. It was 5.1 million in 1989. (See Figure 2.)**

Figure 2: Number of poor children under six, 1969–1989



* *The poverty rate is the percentage of people in any group who are poor—those with incomes below the poverty line.*

** *These estimates do not reflect data concerning unrelated or foster children. In 1989 roughly 70,000 unrelated or foster children lived with caretaker families whose incomes were below the poverty line.*

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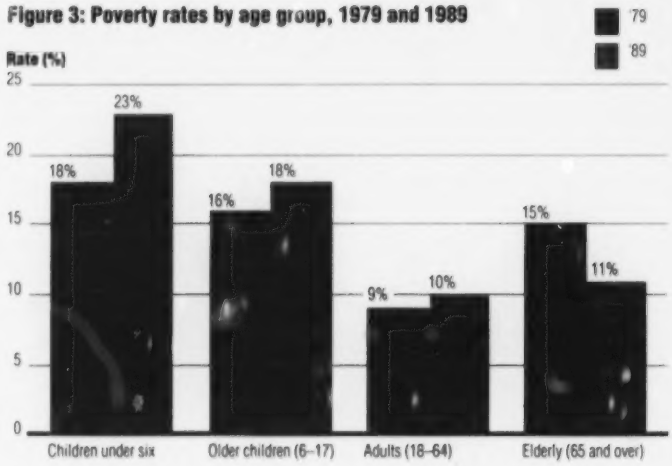
Children under the age of six are more likely to be poor than any other age group, and the gap is widening.

The 23 percent poverty rate for children under six in 1989 was higher than the rate for any other age group in the United States. It was more than double the rate for adults aged 18–64 and for the elderly, and it was substantially higher than the rate for older children. (See Figure 3.)

In the ten-year period between 1979 and 1989, poverty rates increased for all age groups except the elderly. The poverty rate for children under six increased by 28 percent, while the poverty rates for older children and adults grew by 13 percent and 11 percent, respectively. Among the elderly, people 65 and over, the poverty rate actually declined by 27 percent over the decade. (See Figure 3.)

Figure 3: Poverty rates by age group, 1979 and 1989

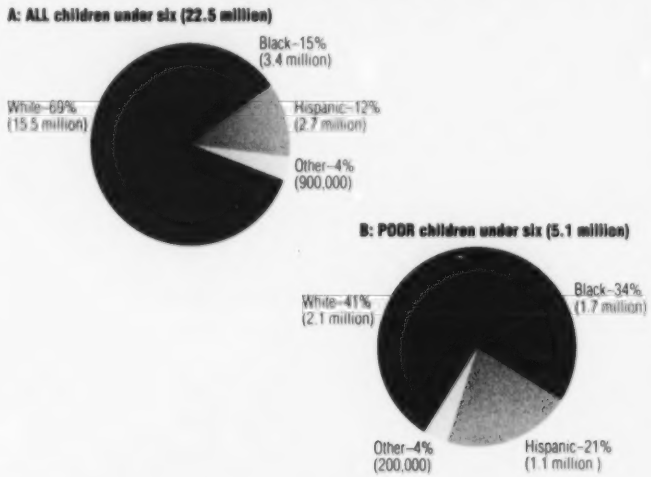


Thirty-one percent of *all* children under six in 1989 were minorities. However, 59 percent of *poor* children were minorities.

Of the 22.5 million children under six in 1989, 69 percent (15.5 million) were non-Hispanic white children, and 31 percent (7 million) were minorities—15 percent non-Hispanic black, 12 percent Hispanic, and 4 percent members of other racial or ethnic groups, such as Asian and Native American. (See Figure 4A.)

In contrast, of the 5.1 million *poor* children under six in 1989, only 41 percent (2.1 million) were non-Hispanic white, while 59 percent (3 million) were minorities—34 percent non-Hispanic black, 21 percent Hispanic, and 4 percent members of other racial or ethnic groups. (See Figure 4B.)

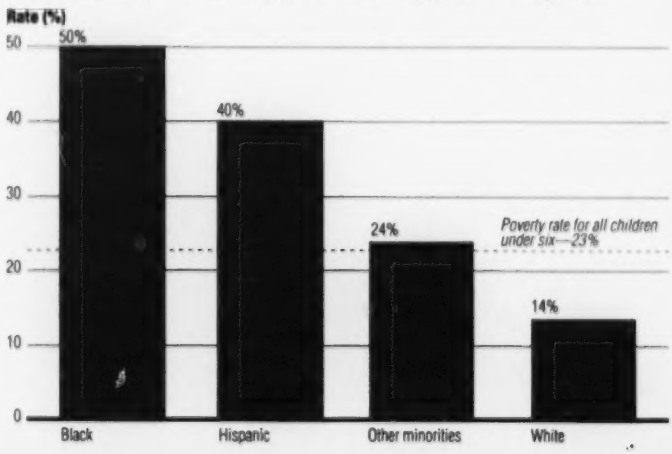
Figure 4: Percentage and number distribution of *all* children under six and of *poor* children under six by race/ethnicity, 1989



Minority children are much more likely to be poor than white children.

Poverty rates vary greatly for different racial/ethnic groups. In 1989 the poverty rate for non-Hispanic black children under six was 50 percent. This was the highest level it has been since the Census Bureau began reporting this information in 1960. For young Hispanic children, the poverty rate was 40 percent. For other non-Hispanic minorities, the rate was 24 percent. The proportion of non-Hispanic white children under six living in poor families was 14 percent in 1989. (See Figure 5.)

Figure 5: Poverty rates for children under six by race/ethnicity, 1989



Children under six living with single mothers are much more likely to be poor than those living with two parents. Even so, 39 percent of poor young children lived in married-couple families in 1989.

In 1989 children under six living with single mothers were five times as likely to be poor as those living with married parents. The poverty rate for young children with single mothers was 60 percent, compared with 12 percent for those with married parents. (See Table 1.)

Since the mid-1970s the proportion of poor children living with single mothers has been increasing gradually. By 1989 more than half of all poor children under age six lived with single mothers, and 39 percent lived with married parents. (See Table 1.)

Table 1: Distribution of all children and of poor children under six by family type, 1989

Family type	All children under six		Poor children under six		Poverty rate
	Number (in millions)	%	Number (in millions)	%	%
All	22.5	100	5.1	100	22
Married-couple	16.8	75	2.0	39	12
Single-parent	5.7	25	3.1	61	54
Mother-only	4.7	21	2.8	55	60
Other*	1.0	5	0.3	6	30

** Includes father-only, relative-only, and nonrelative-only families.*

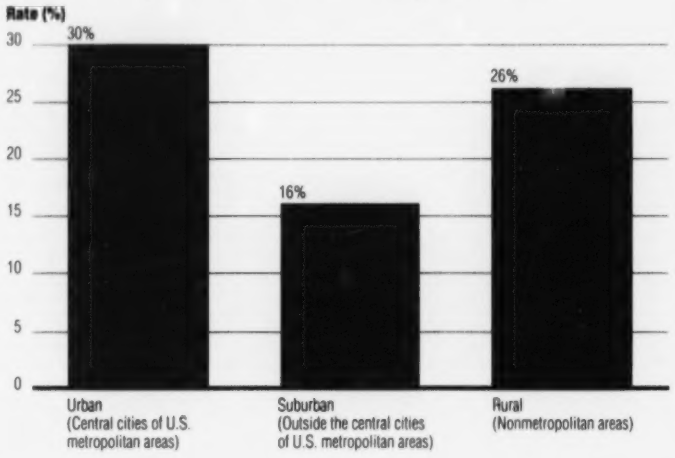
Note: Percentages do not add to 100 percent because of rounding.

Poverty rates for young children are highest in urban areas.

In 1989 the poverty rate among children under six living in urban areas was 30 percent, compared with 16 percent in suburban areas and 26 percent in rural areas. (See Figure 6.) These estimates reflect adjustments for 750,000 children under six whose residence code the Census Bureau did not make available. The adjustments are based on Census Bureau data regarding the probable residential distribution of households with unavailable residence codes.

Out of the 5.1 million poor children under six in 1989, 42 percent (2.1 million) lived in central cities, 34 percent (1.7 million) lived in suburban areas, and 25 percent (1.2 million) lived in rural areas.

Figure 6: Poverty rates for children under six by residence, 1989

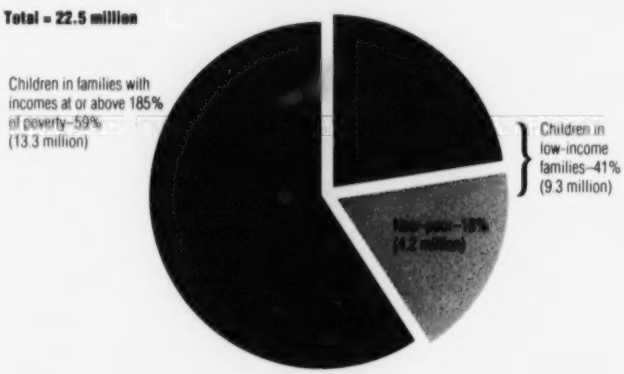


More than four out of every ten children under age six lived in low-income families (poor and near-poor) in 1989.

In 1989, 9.3 million children under six lived in low-income families, those with incomes under 185 percent of the poverty line. (See Figure 7.)

That year an income at 185 percent of the poverty line—$18,297 for a family of three—was roughly half the median income—$35,963 for a family of three. An income below 185 percent of poverty would qualify a family of three for some federal assistance programs—for example, WIC (Special Supplemental Food Program for Women, Infants, and Children) and EITC (Earned Income Tax Credit).

Figure 7: Percentage and number distribution of all children under six by income/poverty ratio, 1989


Total = 22.5 million
Children in families with incomes at or above 185% of poverty–59% (13.3 million)
Children in low-income families–41% (9.3 million)

Note: Numbers do not add to 22.5 million because of rounding.

Poor Children Under Six: Why Are They Poor?

Several interrelated factors help to explain why more than five million young children are poor. Chief among them are the following:

- **Parental employment status and earnings**
- **Family structure**
- **Parental education**

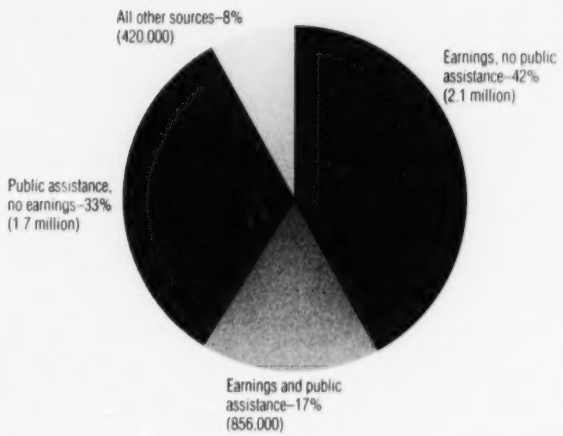
The following section examines the effects of these factors on the poverty status of children under six and their families.

Employment and public assistance do not guarantee that families will not be poor.

Public assistance does not prevent poverty. Virtually all children under six whose parents receive public assistance and have no earnings from employment are poor; 33 percent of all poor children lived in this type of family in 1989. (See Figure 8.) The reason public assistance does not prevent poverty is that state subsidies alone do not raise family incomes above the poverty line. In 1989 the typical state *maximum* Aid to Families with Dependent Children subsidy for a family of three was about $360 per month, or 42 percent of the poverty line that year.

While earnings from employment offer the primary hope for escaping poverty, parental employment does not ensure that children and families will not be poor. Labor market conditions, family structure, education, and wage rates all affect how much a family can earn. In 1989, 42 percent of all poor children under six lived with parents who supported their families with employment earnings and no public assistance. Some 17 percent lived in families with income from both part-time employment and public assistance; however, the combined income from these sources did not bring the families out of poverty because AFDC benefits are reduced as earnings increase. (See Figure 8.)

Figure 8: Percentage and number distribution of all poor children under six by sources of family income, 1989



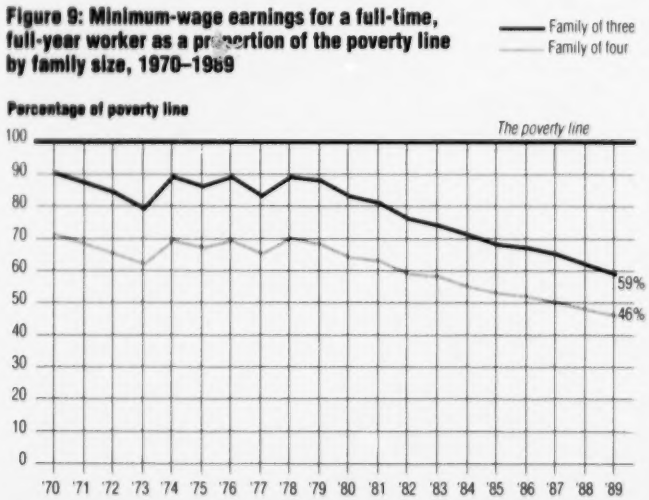
Note: Public assistance means Aid to Families with Dependent Children (AFDC) and General Assistance (GA)

Not even full-time employment guarantees that families will not be poor.

At the 1989 minimum wage ($3.35 per hour), full-time, year-round employment produced roughly $5,865 (assuming 1,750 hours of work per year). This was an income equivalent to 59 percent of the poverty line for a family of three, and 46 percent for a family of four. (See Figure 9.)

In 1989 any family with one full-time, year-round, minimum-wage-earning parent and at least one child would have been classified as poor. That year a family of three would have to have had one full-time, year-round worker earning at least $5.65 per hour to avoid being classified as poor.

Figure 9: Minimum-wage earnings for a full-time, full-year worker as a proportion of the poverty line by family size, 1970–1989

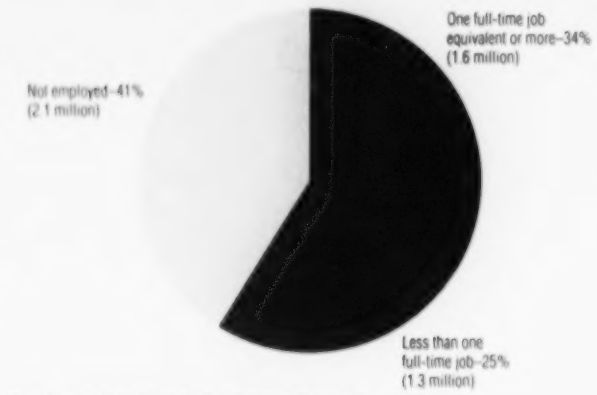


More than one-third of all poor children under six live with single parents who work full-time or with married parents who together work the equivalent of one full-time job or more.*

In 1989, 34 percent of all poor young children had parents who worked the equivalent of a full-time job or more. Some 25 percent had parents who worked less than a full-time job, and 41 percent had parents who were not employed at all. (See Figure 10.)

Children under six with parents who work a full-time job or more are much less likely to be poor than children with parents who work less. In 1989 the poverty rate among children under six with parents who worked the equivalent of a full-time job or more was 8 percent. In contrast, the poverty rate among those with parents working less than a full-time job was 54 percent. The poverty rate was 85 percent for children under six living with parents not employed.

Figure 10: Percentage and number distribution of poor children under six by combined parental employment status, 1989



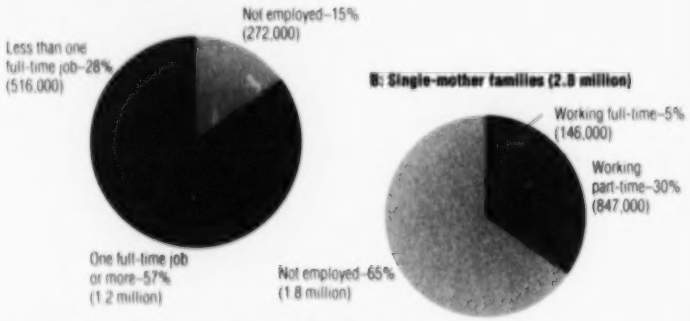
Note: Numbers do not add to 5.1 million because of rounding.

In 1989, 57 percent of poor young children with married parents, and 5 percent of those with single mothers, had parents working the equivalent of at least one full-time job.

Among poor children under six living in married-couple families in 1989, 57 percent had parents who together worked the equivalent of one full-time job or more, and 28 percent had one parent employed part-time. Only 15 percent of such children lived in families where both parents were not employed. (See Figure 11A.)

Among poor young children living with single mothers in 1989, 5 percent had full-time working mothers, 30 percent had mothers who worked part-time, and 65 percent had mothers who were not employed. (See Figure 11B.)

Figure 11: Percentage and number distribution of poor children under six by family type and parental employment status, 1989


A: Married-couple families (2.0 million)
Not employed–15% (272,000)
Less than one full-time job–28% (516,000)
One full-time job or more–57% (1.2 million)
B: Single-mother families (2.8 million)
Working full-time–5% (146,000)
Working part-time–30% (847,000)
Not employed–65% (1.8 million)

Note: Numbers do not add to 5.1 million because of missing family types, such as single fathers, other relatives, or nonrelatives.

The lack of financial contribution from an absent parent, generally the father, is the most significant cause of child poverty.

Child support payments sometimes compensate for the reduced earnings of single-parent families, but too often they do not. Consequently, most young children living in married-couple families avoid poverty, and the majority of those living with single mothers do not.

In 1989 the poverty rate among children under six living in married-couple families was 12 percent, as compared with 60 percent among those with single mothers. The primary reason for this difference is the fact that over half (55 percent) of all children under six living in married-couple families had parents who together worked the equivalent of more than one full-time job. Poverty rates varied little between married-couple and single-mother families where the parents or parent worked the equivalent of one full-time job, or less than one full-time job, or did not work. (See Table 2.)

Table 2: Distribution of all children under six, and poverty rate, by family type and parental employment status, 1989

Family type and parental employment status	All children under six		Poverty rate
	Number (in thousands)	%	%
Married-couple family	**16,808**	**100**	**12**
More than one full-time job	9,269	55	3
One full-time job	6,108	36	15
Less than one full-time job	1,110	7	47
Not employed	321	2	85
Single-mother family	**4,713**	**100**	**60**
One full-time job	1,041	22	14
Less than one full-time job	1,535	33	55
Not employed	2,137	45	85

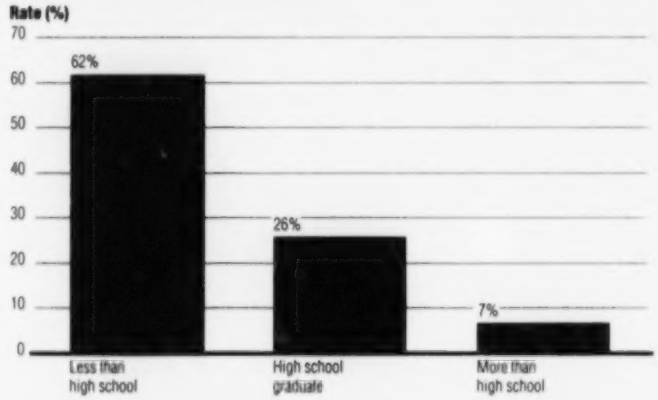
Note: Numbers do not add to 22.5 million (all children under six) because of missing family types, such as father-only, relative-only, or nonrelatives-only families. Percentages do not add to 100 percent because of rounding.

** For the purpose of this statistical update, two parents working part-time are defined as working the equivalent of one full-time job.*

Young children with better-educated parents are much less likely to be poor.

The poverty rate among children under age six whose parents had less than a high school education was 62 percent, compared with 7 percent among those who had at least one parent with more than a high school education. The poverty rate was 26 percent among children with one parent who had graduated from high school, indicating that a high school diploma by no means assures a decent standard of living in the United States. (See Figure 12.)

Figure 12: Poverty rates for children under six by educational level of the better-educated parent, 1989



Better-educated parents are more likely to be employed and to earn enough to avoid poverty.

Individuals with higher levels of education generally command more job opportunities, higher wages, and greater job security than those with lower levels of education. In 1989, among children under six living in families whose better-educated parent had not graduated from high school, 38 percent had parents who alone or together worked the equivalent of one full-time job or more. (The poverty rate for this group was 30 percent.) Among those in families whose better-educated parent was a high school graduate, 72 percent had parents who worked the equivalent of one full-time job or more. (The poverty rate was 10 percent.) Among young children in families whose better-educated parent had more than a high school education, 90 percent had parents who worked the equivalent of one full-time job or more. (The poverty rate was 3 percent.) (See Table 3.)

Table 3: Distribution of all children under six, and poverty rate, by parental educational level and employment status, 1989

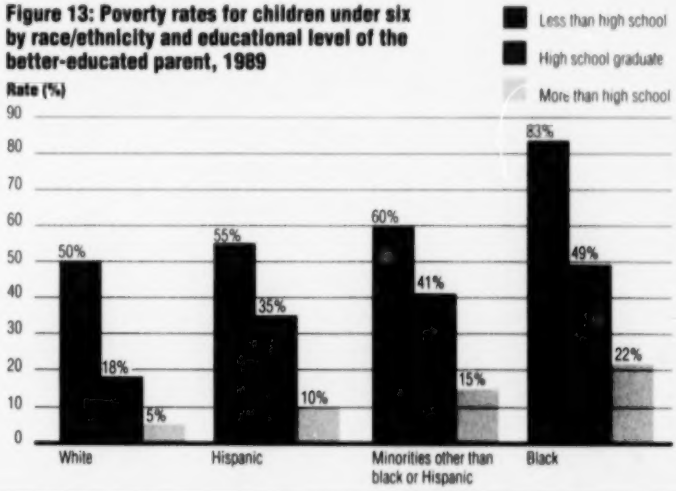
Educational level of better-educated parent and parental employment status	All children under six		Poverty rate
	Number (in thousands)	%	%
Less than high school	**3,228**	**100**	**62**
One full-time job or more	1,212	38	30
Less than one full-time job	697	22	68
Not employed	1,319	41	88
High school graduate	**7,285**	**100**	**26**
One full-time job or more	5,254	72	10
Less than one full-time job	1,209	17	52
Not employed	822	11	84
More than high school	**10,260**	**100**	**7**
One full-time job or more	9,207	90	3
Less than one full-time job	738	7	36
Not employed	315	3	73

Note: Numbers do not add to 22.5 million (all children under six) because of missing data. Percentages do not add to 100 percent because of rounding.

Minority children under six are more likely to be poor than white children, whatever the educational level of their parents. This disparity is most pronounced for non-Hispanic black children.

Among children under six whose better-educated parent had not graduated from high school, the 1989 poverty rates ranged from 50 percent for non-Hispanic white children to 83 percent for non-Hispanic black children. For young children whose better-educated parent was a high school graduate, the poverty rates ranged from 18 percent for non-Hispanic white children to 49 percent for non-Hispanic black children. For young children whose better-educated parent had more than a high school education, the poverty rates ranged from 5 percent for non-Hispanic white children to 22 percent for non-Hispanic black children. (See Figure 13.)

Figure 13: Poverty rates for children under six by race/ethnicity and educational level of the better-educated parent, 1989



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